

Message Text

UNCLASSIFIED

PAGE 01 CARACA 01502 112251Z

ACTION ARA-10

INFO OCT-01 EB-08 ISO-00 /019 W

-----120702Z 014939 /14

R 112030Z FEB 77

FM AMEMBASSY CARACAS

TO USDOC WASHDC

INFO SECSTATE WASHDC 6573

UNCLAS CARACAS 1502

PASS TO OED/MEPD AND OIM/BREWER

E.O. 11652: N/A

TAGS: BENC, VE

SUBJ: MAJOR PROJECT: CORPOZULIA STEEL MILL

REF: CARACAS A149

1. PROJECT NAME: CORPORACION DE DESARROLLO DE LA REGION
ZULIANA (CORPOZULIA) STEEL PLANT; MARACAIBO, ZULIA STATE.

2. BRIEF DESCRIPTION: CORPOZULIA IS NOW DEVELOPING SPECIFIC PLANS FOR INITIAL PHASE OF PROPOSED 5 MILLION TON STEEL MILL. FIRST PHASE, SCHEDULED FOR COMPLETION BY 1982, WOULD PRODUCE APPROXIMATELY ONE MILLION TONS OF NON FLAT PRODUCT USING BLAST FURNACE/OXYGEN CONVERTER TECHNOLOGY. CORPOZULIA ESTIMATES THAT ONE BLAST FURNACE WITH A 9 METER DIAMETER AND 1600 SQUARE METERS OF VOLUME AND TWO OXYGEN CONVERTERS, EACH WITH A 110 METRIC TON CAPACITY, WILL BE NECESSARY TO PRODUCE 1.1MILLION METRIC TONS OF STEEL PER YEAR. CORPOZULIA IS PRESENTLY EVALUATING TWO ALTERNATIVE STEELMAKING PROCESSES, THE BASIC OXYGEN PROCESS (BOP) AND THE NEWER BOTTOM-BLOW OXYGEN CONVERTER (Q-BOP). HOWEVER, NO FINAL DECISION HAS YET BEEN MADE. A CONTINUOUS CASTING BILLET MILL WILL BE CONSTRUCTED AS WELL AS TWO ROLLING MILLS FOR NON-FLAT PRODUCTS. UPON COMPLETION OF THE FIRST PHASE, THE PLANT WILL HAVE THE CAPACITY TO PRODUCE 640,000 METRIC

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CARACA 01502 112251Z

TONS OF LIGHT STRUCTURALS (PROFILES) AND REBAR AND 335,000 METRIC TONS OF WIRE ROD. AUXILIARY PLANTS WILL INCLUDE: A COKE PLANT WITH CAPACITY TO PRODUCE 620,000 TONS PER YEAR; A 1.8 MILLION TON SINTERIZATION PLANT; A LIME PLANT; AN OXYGEN PLANT; AND SYSTEMS FOR DISTRIBUTION OF FUEL AND TREATMENT AND DISTRIBUTION OF WATER. PORT FACILITIES, CAPABLY OF RECEIVING SHIPS UP TO 50,000 TONS, WILL ALSO BE NEEDED. ADDITIONALLY,

EXTERNAL INFRASTRUCTURE, SUCH AS EXPANDED TRANSPORTATION FACILITIES, THERMOELECTRIC POWER STATIONS TO SUPPLY BOTH THE PLANT AND CITY AND AN EXPANDED WATER SYSTEM, MUST BE PROVIDED.

3. EXECUTING AGENCY/PROJECT MANAGER:

CORPORACION DE DESARROLLO DE LA REGION ZULIANA
EDIFICIO CAJA POPULAR DE OCCIDENTE
AVENIDA 4 (ANTES BELLA VISTA)
APARTADO 1153
MARACAIBO, ESTADO ZULIA, VENEZUELA
TELE: (061) 83191 TO 95
TELEX: 61101 MARACAIBO
CABLES: CORPOZULIA

4. STATUS OF PROJECT/BID DATES: THE ENTIRE PROJECT IS NOW UNDER FINAL REVIEW BY THE NATIONAL STEEL COUNCIL (WHICH MUST GIVE ITS APPROVAL TO THE STATE-FINANCED PROJECT) AND THE PRESIDENT OF VENEZUELA. SUCCESSFUL DEVELOPMENT OF THE COAL RESERVES IN THE ZULIA REGION HAS BEEN CONSIDERED A NECESSARY PREREQUISITE TO THE INITIATION OF THE STEEL PROJECT; EXTENSIVE SURVEYS OF THE ZULIA COAL REGION HAVE ALREADY BEEN MADE, AND A COKING STUDY IS SCHEDULED FOR COMPLETION IN EARLY SUMMER. IT IS LIKELY THAT STRONG SUPPORT FROM THE STEEL COUNCIL COMBINED WITH A POSITIVE REPORT ON CAOL PROGRAM WILL COMBINE TO GIVE INCREASED IMPETUS TO THE STEEL PROGRAM BY MID-SUMMER. THEREFORE, INITIAL CONTACT WITH CORPOZULIA SHOULD BE MADE ASAP.

5. ESTIMATED PROJECT COST: IT IS ESTIMATED THAT A TOTAL INVESTMENT OF 1.25 BILLION DOLLARS (5 BILLION BOLIVARS), AT UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CARACA 01502 112251Z

1976 PRICES, WILL BE REQUIRED BETWEEN 1977 AND 1983 IN ORDER TO COMPLETE FIRST STAGE. ESTIMATE DOES NOT INCLUDE COST OF EXTERNAL INFRASTRUCTURE.

6. COMPETITIVE FACTORS: CONSUL JAMES CASON, MARACAIBO, HAS BEEN INFORMED BY CORPOZULIA OFFICER THAT A BRITISH FIRM (BELIEVED TO BE BRITISH STEEL CORPORATION) HAS BEEN ASKED TO NEGOTIATE A CONTRACT FOR THE DEVELOPMENT OF SPECIFICATIONS AND GENERAL CONSULTING. HOWEVER, THE FIRST NATIONAL STEEL PLANT, SIDOR, HAS MAINTAINED A POLICY OF DIVERSIFICATION OF BOTH SUPPLIERS AND CONSULTANTS DURING ITS 20 YEAR HISTORY. (AT PRESENT, CONSULTANTS FROM SEVERAL COMPANIES IN THE UNITED STATES, AS WELL AS REPRESENTATIVES FROM COUNTRIES SUCH AS BRITAIN, GERMANY, INDIA, AND CHILE HAVE TECHNICAL ASSISTANCE CONTRACTS AT SIDOR WHILE EQUIPMENT FOR THE PLANT HAS BEEN PURCHASED FROM THE UNITED STATES, GERMANY, ITALY, JAPAN, AND AUSTRIA). CORPOZULIA CAN BE EXPECTED TO FOLLOW THIS PRECEDENT, SO THAT US FIRMS SHOULD HAVE GOOD OPPORTUNITIES ALL AREAS OF SUPPLY AND TECHNOLOGY.

7. INFORMATION SUPPLIED HEREIN OBTAINED FROM MATERIALS PROVIDED BY CONSUL JAMES CASON, MARACAIBO. US FIRMS MAY WISH TO CONTACT MR. CASON FOR ADDITIONAL INFORMATION AND ASSISTANCE DURING VISITS TO THE MARACAIBO REGION. HE MAY BE REACHED AT: US. CONSULATE; EDIFICIO MATEMA; AVENIDA 15, ENTRE CALLES 78 Y 79; MARACAIBO, ESTADO ZULIA, VENEZUELA. TELEPHONE: (061) 51-65-067.

VAKY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CARACA01502
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770050-0893
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770251/aaaabsxs.tel
Line Count: 123
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b7faf5c7-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 CARACAS 149
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3346472
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: CORPOZULIA STEEL MILL
TAGS: BENC, VE
To: COM
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/b7faf5c7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009